

PSC APPROVES AGREEMENTS WHICH REDUCE THE ELECTRIC AND STEAM RATES FOR ST. JOSEPH LIGHT & POWER.....NO RATE INCREASE FOR NATURAL GAS

Jefferson City (August 17, 1999)---The Missouri Public Service Commission has approved agreements which will result in a **rate reduction for electric and steam customers** of the St. Joseph Light & Power Company. In addition, the Commission has approved an agreement which results in **no rate increase for natural gas customers** of St. Joseph Light & Power. The electric and steam rate reductions will take effect for service rendered on and after October 31, 1999.

Electric: As a result of the Commission's approval of the agreement reached by the parties, the electric revenues of St. Joseph Light & Power will be **reduced** by approximately **\$2.5 million**. For a typical residential customer, electric rates will drop by approximately 1.5 percent.

On June 19, 1998, the PSC Staff filed a complaint against St. Joseph Light & Power alleging the Company was over-earning by approximately \$8 million. On December 1, 1998, St. Joseph Light & Power filed an electric rate case with the Missouri Public Service Commission seeking to increase electric revenues by approximately \$6 million.

The agreement approved by the Commission was submitted by St. Joseph Light & Power, the PSC Staff, the Office of the Public Counsel and several industrial customers who intervened in this case (AG Processing, Inc., Friskies Petcare, a division of Nestle USA, Quaker Oats Company and Wire Rope Corporation of America).

St. Joseph Light & Power serves approximately 62,000 electric customers in the Missouri counties of Andrew, Atchison, Holt, Platte, Buchanan, Nodaway, Worth, Gentry, DeKalb and Clinton.

Natural gas: Under an agreement approved by the Commission, there will be **no rate increase** for natural gas customers of St. Joseph Light & Power. When the Company filed its natural gas rate request on December 1, 1998, it sought to increase natural gas revenues by approximately \$499,000 a year. For a typical residential customer, the proposed increase would have been approximately \$4.65 a month.

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The agreement approved by the Commission was submitted by the PSC Staff, the Office of the Public Counsel and St. Joseph Light & Power.

The Company serves approximately 6,300 natural gas customers in the Missouri counties of Andrew, Atchison, Nodaway and Holt.

Steam: Under the terms of the agreement approved by the Commission, the steam revenues of St. Joseph Light & Power will be **reduced** by approximately \$25,000 (1.45%). When the Company filed its steam rate case on December 1, 1998, it sought to increase steam revenues by approximately \$274,400 (14.95%) a year.

The agreement approved by the Commission was submitted by St. Joseph Light & Power, the PSC Staff, the Office of the Public Counsel, AG Processing, Inc. and Friskies Petcare, a division of Nestle USA.

St. Joseph Light & Power serves six industrial steam customers in the St. Joseph, Missouri area.

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Case Nos. ER-99-247, EC-98-573, HR-99-245 & GR-99-246